

Meeting Minutes May 5, 2005

Town of Los Altos Hills City Council Regular Meeting

Thursday, May 5, 2005 6:00 P.M.

Town Hall Council Chambers, 26379 Fremont Road

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Present: Mayor Mike O'Malley, Mayor Pro Tem Breene Kerr, Councilmember Craig A. T. Jones, Councilmember Jean Mordo and Councilmember Dean Warshawsky

Absent: None

Staff: City Manager Maureen Cassingham, City Attorney Steve Mattas, Planning Director Carl Cahill, Administrative Services Director Sarah Joiner, City Engineer/Public Works Director Henry Louie, Parks and Recreation Supervisor Jimmy Forbis, Engineering Consultant Dave Ross, and City Clerk Karen Jost

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Kerr and passed unanimously to limit the length of time for public comments to three minutes.

2. APPOINTMENTS AND PRESENTATIONS

2.1 Presentation and Request for Funding by the Housing Trust of Santa Clara County – Cheryl Serena, Development Director and Taylor Dial Executive Director

Taylor Dial, Executive Director, Housing Trust of Santa Clara County, thanked the Council for their financial support and partnering efforts in previous years to create more affordable homes for Silicon Valley families. He presented a PowerPoint presentation that reviewed Phase I and Phase II of their campaign and described the goals and objectives of Phase III that included efforts to raise \$10 million in voluntary contributions over the next three years, matched by public sector agencies. The financial support would allow them to continue to invest funds into the creation of affordable rental homes, special-needs housing and support for first-time buyers. Dial reviewed their assistance program for different economical ranges. He requested Council consideration of a donation of \$5,000 for each of the three years of Phase III.

Council thanked Dial for his presentation.

Council discussion ensued. They concurred that this was a valuable county-wide program and would continue their support.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to make a donation of \$5,000 to the Housing Trust of Santa Clara County each year for the next three years for their Phase III funding campaign.

Councilmember Jean Mordo announced that it was Duffy Price's, "Town Volunteer Extraordinaire" birthday and presented her with a beautiful floral plant. Council congratulated Price and she received a standing ovation.

3. PLANNING COMMISSION REPORT

Planning Director Carl Cahill reported that the Planning Commission had not met since the previous City Council meeting and there was nothing new to report.

Cahill reviewed with Council a memorandum that he had prepared in response to direction from the City Council titled "Incentives for Photovoltaic Systems." He reviewed the existing incentives that are currently employed by the Town that include the waiver of both building permit plan check fees and Roadway Impact Fees. The average permit savings was \$340.00. Cahill noted that free standing and roof mounted solar panels were not counted as development area. Possible additional incentives discussed included a flat \$50.00 fee for photovoltaic system building permits and a grant of development area exemption up to a maximum of 500 square feet.

Council briefly discussed the proposed additional incentives for photovoltaic systems and concurred that it was important to pursue and encourage residents to implement solar systems into their building plans.

Mayor Pro Tem Kerr suggested that a possible additional item for discussion would be mandated programs and incentives for solar cells that are more aesthetically acceptable. Councilmember Mordo offered that it would be helpful to survey recent projects to see how many properties were built to the maximum allowable development area to evaluate the potential benefit of granting the additional 500 feet of development space as a solar incentive.

Consensus of the Council was to forward the memorandum to the Environmental Initiatives Committee for further review.

4. CONSENT CALENDAR

Items Removed: 4.4 (O'Malley), 4.5 (Kerr), 4.6 (Warshawsky)

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Mordo and passed unanimously to approve the remainder of the Consent Calendar with Councilmembers Mordo and Kerr abstaining from the vote on 4.1 Regular City Council Meeting Minutes of April 7, 2005:

4.1 Approval of Minutes: Regular City Council Meeting April 7, 2005
Regular City Council Meeting April 21, 2005

4.2 Review of Disbursements: 04/15/2005 – 04/26/2005 \$239,872.53

- 4.3 Investment Report for Quarter Ended March 31, 2005
- 4.7 Proposed Second Amendment to the Agency Agreement for Countywide Household Hazardous Waste Collection Program for Fiscal Year 2005/2006 Resolution No. 37-05

Items Removed:

- 4.4 Notification of Planning Commission Approval: Lands of Eshghi and Doroodian, 13530 Fremont Road; Request for a Site Development Permit and a Conditional Use Permit for a 4,323 square-foot New Residence (maximum height 27') and a Variance to Allow the Required Parking Area to Encroach in the Rear Yard

Mayor O'Malley requested clarification on this item. Planning Director Cahill explained that the applicant had met the redesign requests of the Planning Commission and the new residence was in compliance with the Town's setback regulations. The existing parking was located in the setbacks and the Planning Commission had granted them the variance to permit uncovered parking in the setback. Mayor O'Malley noted that the property was a non-conforming lot.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Kerr and passed unanimously to approve the request for a Site Development Permit and a Conditional Use Permit for a 4,323 square-foot New Residence (maximum height 27') and a Variance to allow the required parking area to encroach in the rear yard; Lands of Eshghi and Doroodian, 13530 Fremont Road.

- 4.5 Notification of Planning Commission Approval: Lands of Phan, 26231 Moody Road; Request for a Site Development Permit for a 4,511 square-foot Two Story New Residence (maximum height 25' 3") with a 792 square-foot Detached Garage and a 1,148 square-foot Basement

Mayor Pro Tem Kerr explained that he had pulled this item for discussion to illustrate how the proposed incentive of additional development area would be suited for a similar residence. Kerr requested clarification on the project's condition of approval that related to the pathway. He noted that the existing pathway needed improvements. Planning Director Cahill responded that he would have staff review the condition and would advise Council if it did not conform to their direction.

Council discussed the classification of a "highly visible lot" in the zoning language and determined that it should be revisited at a later time for review and further clarification.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Mordo and passed unanimously to approve the request for a Site Development Permit for a 4,511 square-foot two story new residence (maximum height 25' 3") with a 792 square-foot detached garage and a 1,148 square-foot basement; Lands of Phan, 26231 Moody Road.

- 4.6 Election to be Subject to State Disability Insurance under the California Unemployment Insurance Code Section 709-Resolution No. 36-05.

Councilmember Warshawsky explained he pulled this item for separate consideration to garner additional information. He questioned the possibility of offering the State Disability Insurance as a Town paid benefit to employees.

Administrative Services Director Sarah Joiner explained that the Disability Insurance was optional for Government entities and as defined, the costs of the insurance would be the responsibility of the employees.

Following a brief discussion, Council determined to revisit the issue of offering this as a benefit to employees during this year's budget discussions.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Mordo and passed unanimously to approve Resolution No. 36-05 "Electing to be Subject to State Disability Insurance under the California Unemployment Insurance Code Section 709."

5. UNFINISHED BUSINESS

5.1 Town Goals

5.1.1 Complete Town Hall On Time and On Budget

5.1.1a TBI Update

Council had before them an update prepared by Project Manager Tony Vierra, TBI Construction. Mayor Pro Tem Kerr reviewed the status report with Council and amplified that the landscaping site work had been delayed by weather conditions and was scheduled to begin May 5, 2005.

Mayor Pro Tem Kerr announced that an additional meeting of the New Town Hall Committee had been scheduled for May 19, 2005 at 4:00 p.m. The Committee would review proposed project change orders.

Mayor O'Malley reported that he had sent out personal letters to business leaders of Los Altos Hills regarding the special donation program for Town Hall. He noted that he, John Radford and former Mayor Bob Fenwick had made commitments to donate to the campaign.

- LEEDS Certification for Town Hall Project Update

Planning Director Cahill reported that following a brief review of Los Altos Hills, staff had not identified any projects that had a LEEDS certification.

Mayor Pro Tem Kerr suggested that any further review on the subject be directed to the Environmental Initiatives Committee. Council concurred.

- Undergrounding Project Status Report

Councilmember Warshawsky reported that the next meeting of the Undergrounding Committee was scheduled for May 10, 2005. They are developing an outreach program to illustrate the project to residents to initiate interest in a similar project for other neighborhoods.

Former City Engineer Dave Ross reported that the preliminary project plans were ready for distribution to the Committee. The project was on schedule.

5.2 Response to City Council Inquires on Salaries, Benefits and Post Retirement Health Insurance Costs (continued 4/7/2005)

Mayor O'Malley explained that the initial presentation of this item was made at the April 7, 2005 City Council meeting and was being revisited to permit the full Council to hear the report.

Administrative Services Director Sarah Joiner addressed Council. She explained that the report was prepared in response to some of the concerns that were raised during the joint study session of the Finance and Investment Committee and City Council on March 17, 2005. Concerns were raised about a potential fiscal crisis facing the Town due to the cost of employee benefits and the cost of health insurance paid on behalf of retired employees. Joiner had prepared the analyses of salary and benefit costs and operating expenditures before Council and noted that the data showed that benefit costs and retiree benefits were neither out of control or threatening the fiscal health of the Town.

Joiner explained that the Town of Los Altos Hills was unique in comparison to other cities. It has a small staff, lack of safety employees, significantly more conservative retirement benefits and a low percentage of retirees who receive post retirement health benefits. Joiner noted that retention has been a significant problem for the Town and offered that it was important for the Town to have a compensation package that was competitive and consistent with industry standards to attract quality employees and retain them.

Joiner reviewed the report exhibits with Council. Exhibit I detailed the salaries and benefits and reflected a range from a high of 36.94% of operating expenditures in 1997/1998 to the current 30.98% in 2004/2005. She noted that the Town currently had three retirees with their health premiums costing \$4,403 per retiree. Exhibit II reflected the budgeted salaries and benefits for 2004/2005 which had increased by 4.62% and 7.26% respectively, over the prior year. Exhibit III showed that operating expenditures other than salaries and benefits for 2004/2005 had increased by 18.79% over the prior fiscal year.

In summary, Joiner reported that the Town had participated in the California Public Employees Retirement System (CalPERS) since 1965 and in their health plan since 1975. During the thirty years with the health plan, ninety five (95) Town employees had been enrolled. Nineteen active employees were currently covered. Joiner explained that the post-retirement health benefit was only available to employees who retire from the Town. The Town currently has three retirees who receive a health benefit or three percent of the number of employees who had been enrolled. Retirees must enroll in a CalPERS

Medicare plan when they are qualified to do so. These plans have a lower premium than the basic health plan.

The City Council thanked Joiner for her excellent report and noted that the benefit and post retirement health insurance costs were modest in comparison to other agencies.

5.3 Consideration of Letter to the Santa Clara Valley Transportation Agency
Regarding their long Term Transit Capital Investment Program

Mayor Pro Tem Kerr requested that the language in the draft letter be amended to reflect the possibility of future consideration and compromise while confirming the Council's desire to encourage the VTA to develop a credible "no sales tax" increase alternative Capital Investment Program to permit the Town and voters to assess the appropriateness of any sales tax increase.

Council briefly discussed the different revision options to the draft letter. They agreed to add the language "at this time" to the second paragraph and to amend the first paragraph to leave room for future discussion. Staff was directed to make the modifications and forward the revised letter to Mayor Pro Tem Kerr and Councilmember Jones for their review and comment.

MOTION SECONDED AND CARRIED: Moved by Kerr, seconded by Warshawsky and passed unanimously to send a revised letter to the VTA that incorporated modifications as identified by Mayor Pro Tem Kerr and Councilmember Jones.

5.4 Award of Contracts for Emergency Communication Antenna Facility at the La Cresta Water Tower Site - Approval of an Agreement with Cotton, Shires and Associates, Inc. for Geotechnical Investigation of Pavement Distress on Elena Road -Resolution No. 38-05

Former City Engineer Dave Ross introduced this item to Council. He reported that the item before Council was a solution to the proposed tower improvements on the Purissima Hills Water District property which would provide a repeater antenna that would assist in the collection and transmission of information in the field for Town staff in the Emergency Operations Center. The proposed project would complete the radio communications facility for the Town's emergency communications. Ross believed it was a good solution at a reasonable price.

Dru Anderson, Emergency Communications Committee Chair, explained that her Committee had worked closely with Town staff and the Water District to develop the proposal that would locate the repeater antenna facility at a permanent site on the La Cresta water tank site. She acknowledged that the Committee was in concurrence with the proposal. Anderson introduced Committee members Scott Overstreet and Jim Abraham who had participated in the development of the proposal.

Scott Overstreet provided an overview of the project. He concurred with Ross's assessment that this was an inexpensive approach to complete the emergency communications system for the Town.

Jim Abraham suggested that Council not relinquish the leased site on the Water District's property.

OPENED PUBLIC COMMENT

John Harpootlian, Anacapa Drive, related a story to Council about telephone interference that had been credited to a local resident's radio antenna tower. He expressed his concern that there was a potential for interference on his telephone lines due to the proximity of the proposed antenna. He requested that Council consider limiting the use to emergency only operation.

CLOSED PUBLIC COMMENT

Dru Anderson explained that the proposal only called for the relocation of the existing antenna. The antenna had been in place for several years with no report of problems or interference.

Mayor O'Malley suggested that Council could approve the proposal and revisit the issue if any interference problems were reported by surrounding neighbors.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Mordo and passed unanimously to approve Resolution No. 38-05 authorizing the City Manager to award contracts for the emergency communications antenna facility at the La Cresta water tank site.

Council thanked Dru Anderson for all of her efforts on the project.

6. NEW BUSINESS

Mayor O'Malley congratulated the Town's Parks and Recreation Supervisor Jimmy Forbis on his recent participation and completion of the Boston Marathon.

Councilmember Mordo suggested that an additional item for consideration by the Environmental Initiatives Committee as an incentive for solar systems could be a more generous calculation for second floors.

7. REPORTS FROM COMMITTEES, SUB-COMMITTEES, AND COUNCILMEMBERS ON OUTSIDE AGENCIES

7.1 Report from the Public Education Committee

Mayor O'Malley thanked Duncan MacMillan, Public Education Committee member, for his presentation at the Joint City Council Meeting on May 3, 2005.

Duncan MacMillan, Public Education Committee, thanked Council and offered that he was before Council to present a report from the Committee titled "Los Altos Hills Public Education Committee Update and Recommendations May 5, 2005". MacMillan presented a PowerPoint presentation of the report. He explained that the Committee was recommending that the City Council support: 1) citizen actions to reorganize Los Altos

Hills into a separate school district or a greater part of Los Altos Hills transferring to the Palo Alto Unified School District; 2) continuing efforts to locate the Bullis Charter School within Town boundaries; and 3) continuing legal efforts to protect the Town's zoning rights.

Highlights of the presentation included: the Committee's recommendations, options reviewed by the Committee and the reasons for removing them from consideration, recent actions of the Los Altos School District regarding the Bullis site and a matrix of all options reviewed by the Committee including the pluses and minuses of each, mitigation and the Committee's position. Appended to the report was the presentation that had been made at the Joint Council meeting on May 3, 2005.

Mayor Pro Tem Kerr questioned whether the Committee had considered a K-8 that would retain the current High School boundaries. MacMillan explained that this option had not been reviewed but the Committee would investigate. He believed that students would have to all attend one High School district.

OPENED PUBLIC COMMENT

John Radford, La Paloma Road, suggested that it would be appropriate to revisit the issue of the Bullis School site with the new Superintendent of the Los Altos School District. Radford noted that Egan, without the portables that house the Bullis Charter School, would afford extra playing fields.

CLOSED PUBLIC COMMENT

Mayor O'Malley thanked the Committee for their report.

Councilmember Jones noted that the Public Education Committee had performed a great public service to the Town by investigating all of the options to return public education to the Town. He concurred with their recommendations and explained that they had essentially completed their charter with the delivery of tonight's report and should be directed by Council with additional charges, possibly the review of citizen group proposals.

Jones added that it was important to reiterate and for Council to remember, that the Committee had recommended by a unanimous vote for Council to continue their efforts to return the Charter School to Los Altos Hills; to continue the efforts to enforce the Town's zoning laws; and to find a structural solution to a structural problem of the Town being divided into two different school districts. Jones also supported engaging the new Superintendent in discussions on the issue as soon as possible and suggested that the Public Education Committee make a formal presentation.

Jones noted that the Los Altos School District had announced an extended Kindergarten program to be offered at the Bullis site. He questioned where the funding was coming from for the new program and what programs would need to be cut to support it and the motivation of the District.

Councilmember Warshawsky explained that he supported the City Council continuing their efforts to return Bullis Charter School to Town and to protect the zoning laws of the Town but was not prepared at this time to endorse redistricting without additional information.

Councilmember Mordo requested clarification on what the Committee was requesting from Council.

MacMillan explained that they were hopeful that when a citizen group came forward with a viable proposal, that the Council would listen to their proposal and consider it favorably. He reminded the Council that the new Superintendent has stated that he would take time to assimilate the culture but that he was employed by the Los Altos School District Board.

Mayor O'Malley thanked the Committee for their work and the development of the options for Council review. He looked forward to hearing proposals from the citizen groups.

Council concurred that it would be helpful to have the Committee continue as a fact gathering body and to provide information to the Council on an as needed basis regarding reorganization. They could also provide "fact checking/finding" of the proposals from the citizens groups.

COUNCILMEMBER REPORTS

Councilmember Mordo reported that the Community Relations Committee was seeking permission to invite the City of Los Altos City Council, City Manager, Chamber of Commerce President and new Superintendent of Schools to the Town picnic.

City Council consensus was to extend the invitations as requested by the Community Relations Committee.

Mordo announced that Library Measure A had passed; Measure B failed. The Los Altos Library would resume its curtailed schedule next year.

Mayor Pro Tem Kerr reported that the Ad Hoc Field Committee is continuing to meet. He extended an invitation to Parks and Recreation Supervisor Jimmy Forbis to the next meeting on Monday, May 9, 2005.

8. STAFF REPORTS

8.1 City Manager

- Update on Council/Staff Retreat – May 14, 2005

City Manager Cassingham advised Council that the Council/Staff goal setting session was scheduled for Saturday, May 14, 2005. The interview schedules had been confirmed with facilitator Bill Lewis. The framework for the day has been identified by Lewis as beginning at 8:30 a.m. with business beginning at 9:00 a.m. Items of discussion included the consideration of proposals for park bond monies and the goal setting process. The

session is tentatively scheduled to conclude at 3:30 – 4:00 pm. Cassingham noted that the session was open to the public.

Council concurred with the schedule.

8.2 City Attorney

8.3 City Clerk

8.3.1 Report on Council Correspondence

9. COUNCIL-INITIATED ITEMS

10. PRESENTATIONS FROM THE FLOOR

Kim Cranston, Fremont Road, addressed Council and advised them of a notice that he had received from the City of Palo Alto regarding the proposed development by Stanford of additional office space across from Xerox Park on Hillview and Foothill. Cranston noted that the identified mitigation for the proposed project was the installation of traffic signals on Hillview/Fremont/Arastradero Road and Deer Creek/Arastradero Road. He expressed his concern that this could have a negative impact on Los Altos Hills residents with an increase in traffic, notably on Fremont Road from motorists attempting to avoid the traffic signals and heavy traffic on Arastradero. He encouraged the Council to direct staff to respond to the notice and request inclusion in any future study of the proposal. Cranston believed that the residents of the Town were not properly noticed and there would be significant impact on residents from the increased traffic. He suggested that the City of Palo Alto should be encouraged to direct traffic away from the Hills. Cranston feared that Arastradero would eventually become a four-lane road to Interstate 280.

Mayor O'Malley noted that the Council had reviewed this issue at a previous meeting and had determined that Arastradero was within the Palo Alto boundaries. Staff had been directed to send a letter to the City regarding the proposal.

City Manager Cassingham explained that staff had written the City of Palo Alto and requested to be a part of the project's Environmental Review process. Former City Engineer Dave Ross added that the construction of the signals at the two locations would require the preparation of an environmental document. The actual installation would require the placement of signal loops within the Town's boundary and Palo Alto's staff had confirmed that an invitation to comment on the documents would be forwarded to the Town. Ross offered to contact Palo Alto with a follow-up discussion.

Colette Cranston, Fremont Road, clarified that the City of Palo Alto had already conducted their first reading of the project. The project's application (office space) had bypassed the Planning Commission review process and was moving very quickly. She was concerned that the project could be finalized in 30-60 days and would potentially lead to Arastradero Road being widened to four lanes and changing the rural nature of the

existing one lane winding road. She asked the City Council to act quickly and support the residents' concerns.

Robert Blair, Fremont Road, thanked his neighbors for advising him of the proposed traffic light installation. He voiced his concern that the signals would have a significant impact on the rural character of the area. He believed there would be an increase in the noise level from traffic and encouraged the Council to get involved in the process.

Joe Zieger, Old Trace Lane, expressed his concern that he had not received any notice by the City of Palo Alto regarding the proposed project. He spoke to his previous experiences with Palo Alto and Stanford and explained that it was his belief that they are always "testing" to see if there was opposition. He encouraged the Council to require the City of Palo Alto to abide by the proper and legal requirements pertaining to noticing and to get involved in the process to monitor what is being proposed for one of the key entrances to the Town.

Mayor O'Malley requested that this issue be placed on the next City Council meeting agenda and directed staff to prepare a report clarifying the options available to Council. Council concurred.

11. PUBLIC HEARINGS

11.1 Site Development Permit for a Secondary Dwelling Unit and Modification of Condition of Map Approval Limiting Floor Area; Lands of Breetwor; 12681 Miraloma Way, # 226-04-ZP-SD

Planning Director Carl Cahill introduced this item to Council. Council had before them a staff report dated May 5, 2005 and a site plan. Cahill provided an overview of the project and background on the original subdivision condition of map approval that had restricted the maximum floor area of the parcel. He noted that the Planning Commission had recommended approval of the request to modify the condition of the map approval to permit construction of the second unit/pool house. The applicant had agreed to all of the Conditions of Approval including additional landscape screening requested by a neighbor.

The applicants were present to answer questions.

OPENED PUBLIC HEARING
CLOSED PUBLIC HEARING.

MOTION SECONDED AND CARRIED: Moved by Mordo, seconded by Kerr and passed unanimously to approve the request for a Site Development Permit for a secondary dwelling unit and modification of condition of map approval limiting floor area; Lands of Breetwor, 12681 Miraloma Way, #226-04-ZP-SD.

MOTION SECONDED AND CARRIED: Moved by Warshawsky, seconded by Kerr and passed unanimously to adjourn to the Closed Session at 8:35 p.m.

12. CLOSED SESSION

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: Government Code Section 54956.9(a): Town of Los Altos Hills v. Los Altos School District

The City Council reconvened to the Regular City Council meeting at 9:00 p.m.
No action was taken by Council.

13. ADJOURNMENT

There being no further business, the Regular City Council meeting was adjourned by consensus of the Council at 9:01p.m.

Respectfully submitted,

Karen Jost

City ClerkThe minutes of the May 5, 2005 Regular City Council meeting were approved as presented at the May 19, 2005 Regular City Council meeting.